

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et
al.*,

Debtors.¹

PROMESA Title III

Case No. 17-BK-3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA Title III

Case No. 17-BK-4780-LTS

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as a representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Plaintiff,

Adv. Proc. No. 19-00391-LTS

PROMESA Title III

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

v.

U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE,

Defendant.

INFORMATIVE MOTION OF THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD REGARDING CAPITAL MARKET SERVICES LLC, SOLA LTD, SOLUS OPPORTUNITIES FUND 5 LP, ULTRA MASTER LTD AND ULTRA NB LLC'S INTERVENOR STIPULATION RELATING TO ADV. PROC. NO. 19-00391-LTS

To The Honorable United States District Court Judge Laura Taylor Swain:

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as sole Title III representative of the Puerto Rico Electric Power Authority (“PREPA” or the “Debtor”) in this Title III case pursuant to section 315(b) of the *Puerto Rico Oversight, Management and Economic Stability Act* (“PROMESA”),² respectfully submits this informative motion (this “Informative Motion”) in connection with Adv. Proc. No. 19-00391-LTS (the “Adversary Proceeding”), notifying the Court of the revised *Stipulation and Agreed Order By and Among the Oversight Board, U.S. Bank National Association and the Proposed Intervenors* regarding intervention in the Adversary Proceeding, attached hereto as **Exhibit A** (the “Stipulation and Proposed Agreed Order”), and requesting the Court so order the Stipulation and Proposed Agreed Order, and states as follows:

1. On October 6, 2022, the Oversight Board filed the *Informative Motion of Financial Oversight and Management Board Regarding Intervenor Stipulations Relating to Adv. Proc. No. 19-00391* [Docket No. 29] (the “Intervenor Informative Motion”), informing the Court the Oversight Board, U.S. Bank National Association, as Trustee (“Defendant”), and certain parties

² PROMESA is codified at 48 U.S.C §§ 2101–2241.

agreed to stipulations and proposed agreed orders regarding intervention in the Adversary Proceeding, and requesting the court so order the stipulations and proposed agreed orders.

2. Pursuant to the Court's direction, the Oversight Board, Defendant, and Cortland Capital Market Services LLC, as successor administrative agent under a Credit Agreement, dated May 4, 2012, among PREPA, Scotiabank de Puerto Rico, and certain lenders, and SOLA LTD, Solus Opportunities Fund 5 LP, Ultra Master LTD and Ultra NB LLC, as lenders under a Trade Finance Facility Agreement, dated July 20, 2012, between PREPA and Citibank, N.A. (collectively, the "Proposed Intervenors") revised the *Stipulation and Agreed Order By and Among the Oversight Board, U.S. Bank National Association and the Proposed Intervenors*, attached to the Intervenor Informative Motion as **Exhibit B** (the "Original Stipulation and Proposed Agreed Order"), to clarify the identity of the Proposed Intervenors.

3. The Stipulation and Proposed Agreed Order, attached hereto as **Exhibit A**, clarifies the identity of the Proposed Intervenors, and supersedes the Original Stipulation and Proposed Agreed Order.

4. The Oversight Board requests that the Court so order the Stipulation and Proposed Agreed Order, attached hereto as **Exhibit A**, permitting the Proposed Intervenors to intervene in the Adversary Proceeding as plaintiffs pursuant to the terms set forth in the Stipulation and Proposed Agreed Order.

[Remainder of page intentionally left blank]

WHEREFORE, the Oversight Board respectfully requests that the Court take notice of this Informative Motion and so order the Stipulation and Proposed Agreed Order.

Dated: October 7, 2022
San Juan, Puerto Rico

Respectfully submitted,

/s/ Margaret A. Dale

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CERTIFICATE OF SERVICE

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

/s/ Luis F. del Valle-Emmanuelli
Luis F. del Valle-Emmanuelli

Exhibit A

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA Title III

Case No. 17-BK-3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA Title III

Case No. 17-BK-4780-LTS

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as a representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Plaintiff,

Adv. Proc. No. 19-00391-LTS

PROMESA Title III

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

v.

U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE,

Defendant.

**STIPULATION AND AGREED ORDER BY AND AMONG THE OVERSIGHT BOARD,
U.S. BANK NATIONAL ASSOCIATION AND THE PROPOSED INTERVENORS**

This stipulation and consent order (The “Stipulation”) is made and entered into by and among the Financial Oversight and Management Board for Puerto Rico (“Plaintiff”), U.S. Bank National Association, as Trustee (“Defendant”), Cortland Capital Market Services LLC, as successor administrative agent under a Credit Agreement, dated May 4, 2012, among Puerto Rico Electric Power Authority (“PREPA”), Scotiabank de Puerto Rico, and certain lenders, and SOLA LTD, Solus Opportunities Fund 5 LP, Ultra Master LTD and Ultra NB LLC, as lenders under a Trade Finance Facility Agreement, dated July 20, 2012, between PREPA and Citibank, N.A. (collectively, the “Proposed Intervenors” and, together with Plaintiff and Defendant, the “Parties”). The Parties hereby stipulate and agree as follows:

RECITALS

WHEREAS the Proposed Intervenors are creditors of PREPA, and their recoveries may be materially economically impacted by the disposition of this adversary proceeding;

WHEREAS the Proposed Intervenors have previously filed causes of action and other pleadings that raise issues that are likewise raised by Plaintiff in this adversary proceeding;

WHEREAS the Proposed Intervenors are timely intervening consistent with Rule 7024 of the Federal Rules of Bankruptcy Procedure and the *Order (A) Granting in Part and Denying in Part Urgent Motion of Financial Oversight and Management Board for Order (I) Establishing Schedule to Continue Negotiations During Litigation of Gating Issues Pursuant*

To Litigation Schedule and (II) Granting Related Relief and (B) Staying Certain Motions Filed by PREPA Bondholders [Docket No. 22 in Adv. Proc. No. 19-00391-LTS] (the “Scheduling Order”);

WHEREAS the Proposed Intervenors, Plaintiff and Defendant agree the requirements of Rule 24 of the Federal Rules of Civil Procedure have been met, permissive intervention by the Proposed Intervenors is warranted as set forth herein, and such intervention will not unduly prejudice or delay the adjudication of the original parties’ rights;

WHEREAS the Proposed Intervenors, Plaintiff and Defendant have agreed the Proposed Intervenors may intervene as plaintiffs in this adversary proceeding, subject to the limitations set forth below;

NOW THEREFORE, the Parties hereby stipulate and agree, and upon the Court’s approval the terms hereof shall be ordered and binding on all parties in interest, as follows:

STIPULATION

1. The Proposed Intervenors may intervene as plaintiffs in this adversary proceeding with a right to be heard with respect to any matter in the litigation, subject to the following limitations:

- a. The Proposed Intervenors may only file, by each applicable deadline, one consolidated non-duplicative brief or other submission in accordance with the litigation schedule attached as Schedule 1 to the Scheduling Order.
- b. One attorney for the Proposed Intervenors may be heard at any oral argument in this adversary proceeding, provided the attorney undertakes to avoid duplication with Plaintiff.

- c. The Proposed Intervenors shall only raise arguments with respect to the counts asserted by Plaintiff in the Amended Complaint filed in this adversary proceeding.²
 - d. The Proposed Intervenors, through one law firm, shall be entitled to receive all discovery produced in connection with this adversary proceeding and to attend depositions in this adversary proceeding, provided that they avoid duplication with Plaintiff. The Proposed Intervenors shall not be entitled to propound their own discovery requests absent the consent of the other Parties or leave of Court.
 - e. The Proposed Intervenors shall not have consent rights over any settlement of the adversary proceeding, but shall retain all rights they have as parties in interest in this Title III case, including the right to object to any settlement under Federal Rule of Bankruptcy Procedure 9019.
2. Past and future statements and writings of the Proposed Intervenors shall not be attributed to or admissions of Plaintiff for any purpose.
3. The Proposed Intervenors may seek relief from any of the foregoing limitations upon a showing of cause.
4. This Order shall take immediate effect and be enforceable upon its entry.
5. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

IT IS SO STIPULATED.

Dated: October 7, 2022

² Consistent with the Scheduling Order, which states that that “[t]he ‘Current Expense’ issues will only be addressed, if necessary, after the security and recourse issues have been resolved or, if necessary, in connection with the plan confirmation process,” the Proposed Intervenors do not intend to raise Current Expense issues in this adversary proceeding. In the event other parties-in-interest are permitted to raise those issues in this proceeding, the Proposed Intervenors reserve all rights to address those issues and to seek to modify the terms of their intervention in this proceeding.

/s/ Nayuan Zouairabani

Nayuan Zouairabani

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SO ORDERED.

Dated: _____, 2022

HONORABLE LAURA TAYLOR SWAIN
United States District Judge